

**MINUTES  
of the  
THIRD MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**August 12, 2003  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The third meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Fred Luna, vice chair, on August 12, 2003 at 9:00 a.m. at the MFA office in Albuquerque.

**PRESENT**

Sen. Nancy Rodriguez, chair  
Rep. Fred Luna, vice chair  
Rep. Jane E. Powdrell-Culbert  
Rep. Raymond M. Ruiz

**ABSENT**

Sen. Manny M. Aragon  
Sen. Mark Boitano  
Rep. Richard Cheney  
Sen. Leonard Lee Rawson

**Advisory Members**

Rep. Thomas A. Anderson  
Sen. Ramsay L. Gorham  
Rep. Daniel P. Silva  
Sen. H. Diane Snyder

Rep. Miguel P. Garcia  
Sen. Phil A. Griego  
Rep. Antonio Lujan  
Sen. Richard M. Romero

**Staff**

Rachel Ray

**MFA Staff**

Lionel Holguin  
Sandra Marez  
Erin Quinn  
Jim Stretz

Representative Luna, vice chair, called the meeting to order at 9:00 a.m. Senator Rodriguez arrived at approximately 9:20 a.m., at which time she took over as chair of the committee.

The minutes from the July meeting were reviewed and approved.

Jim Stretz, executive director of the MFA, reviewed amendments to the MFA's rules and regulations. The committee had no questions regarding the changes and they were approved.

Both Mr. Stretz and Lionel Holguin discussed the need for the Affordable Housing Act to be placed on the governor's call during the October special session and asked for the committee's support in accomplishing that goal. Members noted that the Affordable Housing Act was sponsored by Speaker Lujan and that he was already making efforts to have it placed on the governor's call.

MFA staff expressed concern about the lack of funding for the state weatherization program, which is part of the Affordable Housing Act. Capital funds of \$600,000 appropriated by the legislature for the current fiscal year have been placed on hold because of an interpretation by the attorney general that the capital appropriation violates the state constitution's anti-donation clause. MFA staff stated that without the funding, approximately 300 houses will not be weatherized for this program year. MFA staff also noted that the cost of heating has doubled over the past seven months and that PNM is predicting that heating bills will double this winter from what they were last year.

Committee members discussed various ways to obtain weatherization funding. MFA staff stated that the ultimate goal is to get the weatherization funding into the Department of Finance and Administration budget. Committee members had numerous questions regarding cost and the quantity and locations that the weatherization program serves. MFA staff stated that 1,000 homes per year are weatherized and that the northern part of the state receives more funding because of the colder weather.

The committee decided to make two written requests of the governor that:

(1) he consider providing funding in the amount of \$600,000 as soon as possible from any source possible for the state weatherization program; and

(2) he consider placing the Affordable Housing Act on his call for the special session to be held in October.

The committee requested that the first letter be prepared to be delivered to the governor the following day by Mr. Stretz. The second letter would be reviewed by the committee at its next meeting before submission.

MFA staff reminded the committee that regardless of where the money comes from for the weatherization program, the Affordable Housing Act would still have to be changed pursuant to a request from the governor's office. The governor vetoed the bill on two issues:

(1) eligibility criteria for recipients of land, buildings and infrastructure were not included in the statute; and

(2) current statutory provisions to ensure successful completion of affordable housing projects are not adequate.

A draft of the act with amendments addressing these two issues has been completed for review by the governor's legal staff and a meeting has been scheduled by the MFA for that purpose.

The final agenda item for the meeting was a discussion of the state housing trust fund. Pursuant to Senate Joint Memorial 64 passed during the 2003 legislative session, the MFA convened a task force of stakeholders to recommend revenue sources for a proposed state housing trust fund. The task force will build upon a housing trust fund feasibility study that the MFA completed under the authority of Senate Joint Memorial 15, passed during the 2002 legislative session. Representatives from the task force plan to present their recommendations to the committee in November. The committee was provided with a meeting schedule for the task force. Six meetings have been scheduled.

Committee members asked how appointments were made to the task force, noting that there were quite a few state senators. Representative Ruiz stated that he would like to serve on the task force.

There being no further business to be considered at this meeting, the committee adjourned at approximately 11:00 a.m. after motion duly made, seconded and unanimously adopted.